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SUBURBAN HOSPITAL
Healthcare System

Via U.S. Mail and Fax (410) 358 - 1236

June 10, 2005

Mr. Robert E. Nicolay
Chairman, Certificate of Need Task Force
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Dear Mr. Nicolay,

Suburban Hospital is pleased to submit comments to the Maryland Health Care Commission Certificate of Need Task Force. Overall, Suburban Hospital supports continuation of the Maryland CON program. However, we believe there are opportunities to enhance the process.

Consistent with the recommendations of the Maryland Hospital Association, Suburban endorses the following opportunities to improve the CON program and process:

- Regularly update the State Health Plan to ensure that current standards support the evolving health care environment.
- Align acute bed need projections with the licensure law; that is, CON and bed need regulations both should be based on a 71.5% occupancy rate.
- Allow hospitals to construct shell space under certain circumstances to achieve greater efficiency in expansion projects.
- Increase the capital threshold for CON exemption to \$7.5 million, with annual adjustments for inflation.

- Deregulate the acquisition and installation of clinical information technology systems, as implementing these systems does not involve development of a new health care service.

Suburban Hospital appreciates the opportunity to comment and will provide additional input in the future, as necessary.

Sincerely,

A handwritten signature in black ink that reads "Brian A. Gagnolati" followed by a stylized flourish or initials.

Brian A. Gagnolati
President & CEO
Suburban Hospital, Inc.